

3Q
249
S2G7
1922
cp.1

A
A
0
0
0
2
0
9
3
2
4
3



UC SOUTHERN REGIONAL LIBRARY FACILITY

Great Britain. India office.

East India (Constitutional reforms)
Papers relating to premature retirement on proportionate pension.

(Cmd. 1727.)

UNIVERSITY OF CALIFORNIA
AT LOS ANGELES



Lithomount
Pamphlet
Binder
Gaylord Bros. Inc.
Makers
Stockton, Calif.

PAPERS RELATING TO
PREMATURE RETIREMENT ON
PROPORTIONATE PENSION.

Presented to Parliament by Command of His Majesty.



LONDON:
PUBLISHED BY HIS MAJESTY'S STATIONERY OFFICE.

To be purchased through any Bookseller or directly from
H.M. STATIONERY OFFICE at the following addresses:
IMPERIAL HOUSE, KINGSWAY, LONDON, W.C.2, and 28, ABINGDON STREET, LONDON, S.W.1;
37, PETER STREET, MANCHESTER; 1, ST. ANDREW'S CRESCENT, CARDIFF;
23, FORTH STREET, EDINBURGH,

1922.

Price 6d. Net.

[Cmd. 1727.]

No. 1.

Resolutions issued on 8th November, 1921, by the Government of India with the approval of the Secretary of State in Council.

1. In their Report on clause 36 of the Bill of 1919 the Joint Committee observed :—

“ The Committee think that every precaution should be taken to secure to the public servants the career in life to which they looked forward when they were recruited, and they have introduced fresh provisions into this clause to that end. If friction occurs, a readjustment of persons and places may often get over the difficulty, and the Governor must always regard it as one of his most important duties to establish a complete understanding between his ministers and the officers through whom they will have to work. But if there are members of the service whose doubts as to the changes to be made are so deeply rooted that they feel they cannot usefully endeavour to take part in them, then the Committee think it would only be fair to those officers that they should be offered an equivalent career elsewhere, if it is in the power of His Majesty's Government to do so, or, in the last resort, that they should be allowed to retire on such pension as the Secretary of State in Council may consider suitable to their period of service.”

The principle embodied in this recommendation, namely, that public servants, the conditions of whose employment have been altered by the constitutional changes introduced by the Act of 1919, could not in certain circumstances fairly be required to continue in the service of the Crown in India, was accepted by the Secretary of State. The detailed orders necessary to give effect to it have since been the subject of prolonged consideration by the Government of India and the Secretary of State, and the Government of India are now in a position to announce the decision of the Secretary of State in Council regarding applications for permission to retire prematurely, and the terms which will be granted to officers whose applications are accepted by the Secretary of State. In framing these terms the object aimed at has been to secure as just a mean as can be devised between an offer which is open to the criticism that few of those in whose interests it is made can afford to avail themselves of it, and one so liberal as to seem unfair to those who are willing to remain and play their part in the new order, and, while duly recognising the claims of loyal and meritorious service which might have continued, both to the public advantage and to the increasing credit of the officer himself, to avoid unjustifiable addition to the non-effective charges which have to be met from Indian revenues.

2. The constitutional changes introduced by the Act of 1919 have affected the structure of the Central Government and that of the

JQ
249
32G7
31922
cop. 1

1935
DEC 2

POLITICAL SCIENCE

OCT 14 1935

St & B.

Provincial Governments unequally. The Central Government is still an official Government, responsible to the Secretary of State and to Parliament, and there has been no such alteration in the conditions of service of officers employed under it as would justify a relaxation of the rules governing retirement and pensions. For the present, therefore, and pending any further constitutional developments which may affect the character of the Central Government, applications for permission to retire prematurely in consequence of reforms will be considered only if received from officers who—

(1) are members of the following services—

- (a) the Indian Civil Service ;
- (b) the Indian Police Service ;
- (c) the Indian Forest Service ;
- (d) the Indian Educational Service ;
- (e) the Indian Agricultural Service ;
- (f) the Indian Service of Engineers ;
- (g) the Imperial Branch of the Civil Veterinary Department ;
- (h) officers of the Indian Medical Service in civil employ ;
- (i) military or other officers holding posts other than listed posts borne on the provincial cadres of any of the above-mentioned services ; and

(2) are not permanently employed under the Government of India, that is, officers who will not normally serve in future under a Provincial Government ; and

(3) arrived in India for the first time after joining the service in question on a date antecedent to the 1st January, 1920, the Act of 1919 having become law a few days before this date.

3. All applications must reach the Local Government before the 31st March, 1924, by which date officers will have had ample opportunity to appreciate the effects of the recent constitutional changes and to arrive at a considered decision. Officers of the services specified who do not apply before that date will not be eligible for a pension on premature retirement in consequence of any constitutional developments which may subsequently take place. In the case of officers serving under the Government of Burma, where the reformed constitution is not yet in force, the period within which applications may be made will be extended beyond 31st March, 1924, to a date which will be announced hereafter. But no officer serving in Burma will be permitted to retire under the terms of this Resolution before reforms have actually been introduced in the province.

Every application must be accompanied by a certificate in the following form :—“ I consider that the conditions of my service have been radically changed by the introduction of the reformed constitution, and in consequence thereof I feel unable to serve the Government of India with advantage to the State. I therefore desire to be released from the obligations which I undertook in different circumstances.”

Applications when received by Local Governments will be forwarded with their recommendations to the Governor-General in Council, and will be transmitted by him to the Secretary of State, whose orders

will be required before any officer is finally adjudged entitled to the new concessions. The Secretary of State in Council reserves to himself the right to postpone the acceptance of resignations of officers until suitable arrangements can be made for their replacement. Officers who are not allowed for this reason to retire immediately will be permitted to retire as soon as the exigencies of the service to which they belong permit.

4. The compensation normally to be awarded to an officer who is allowed to retire prematurely will be such pension as is appropriate to the conditions and the period of his service. It would be improper, however, to burden Indian revenues with the payment of a pension to any officer who has not completed five years' total service and is, in view of his age, in a position probably to take up a new career in life, but in all services alike such officers will be eligible for a gratuity equal to the number of completed years† of total service multiplied by their monthly pay at the date of their retirement. This gratuity will be converted into sterling at the rate of 1s. 9d. per rupee, the ordinary rate for the conversion into sterling of Indian pensions expressed in rupees.

The pension to be allowed to officers who have completed more than five years' total service will in all cases be based upon the number of completed years† of active service and not of total service. Active service will, for this purpose, be interpreted in the same way as active service for the purpose of pension in Article 8 of the Civil Service Regulations, war leave being treated for this purpose as privilege leave. The pensions calculated on this basis which will be admissible to officers in the various services are indicated below. In all cases the letter N is used to denote the number of completed years† of active service.

(A) *Indian Civil Service.*

The maximum pension of 1,000l. is obtainable after 21 years' active service. The pension admissible will be $\text{£} \frac{N}{21} \times 1,000$, subject to the maximum of 1,000l. a year.

(B) *Officers to whom the ordinary Pension Rules in Part 4 of the Civil Service Regulations apply.*

(1) A maximum ordinary pension of Rs. 6,000 a year is obtainable after 30 years' service, of which four years may be spent on leave out of India, that is, the pension of Rs. 6,000 is obtainable after 26 years' active service. In addition, these officers may obtain additional pensions under Article 475A of the Civil Service Regulations, and, for the purpose of the present scheme, it is assumed that they will qualify for the maximum lower additional pension of Rs. 1,500 per annum, making a total of Rs. 7,500 per annum after 26 years' active service.

The pension admissible will, therefore, be Rs. $\frac{N}{26} \times 7,500$ a year, subject to a maximum of Rs. 6,000 a year.

† The orders have been modified by a subsequent decision of the Secretary of State in Council that in calculating proportionate pensions account is to be taken of completed months of service to the extent of one-twelfth for each completed month in excess of the completed years.

(2) Under the provisions of Articles 403 to 404A of the Civil Service Regulations, members of certain services are permitted to add additional years to their actual qualifying service for superannuation pension, but not for any other classes of pension. Such officers will, however, be allowed to deduct the number of additional years which they may be entitled to reckon under the articles cited from the divisor 26.

(3) The pension will be converted into sterling at the rate of 1s. 9d. per rupee, the ordinary rate for the conversion into sterling of Indian pensions expressed in rupees.

(C) Officers of the Indian Army in Civil Employ.

Under the provisions of para. 305 of the Army Regulations (India), Vol. II, an Indian Army officer remains on the effective list of the Army, and is eligible for reversion to military employment until he is placed on the supernumerary list on the expiration of 10 years from the date of his original transfer to civil employment. An officer who has not yet been so placed on the supernumerary list, and who desires to take advantage of the concessions set out in this Resolution will first be given an opportunity to return to military employment, and he will not be eligible for any of them unless the Army are unable or unwilling to absorb him. The ordinary maximum pension obtainable by an Indian Army officer in civil employment is 800*l.* a year. This pension is obtainable after approximately 30 years' total service, and for present purposes it may be assumed that of this period about five years might have been spent on furlough. The pension admissible to these officers will, therefore, be $\text{£} \frac{N}{25} \times 800$, subject to a maximum of 800*l.* a year.

(D) Officers of the Indian Medical Service in Civil Employ.

An officer of the Indian Medical Service who desires to take advantage of these rules will similarly be given first an opportunity to return to military employment, and will not be allowed any concession under this Resolution unless the Army are unable or are unwilling to absorb him. Under the ordinary rules pensions are admissible to officers of the Indian Medical Service after 17 years' total service. Special provision is, therefore, required only for officers of less than 17 years' total service. The pension is 400*l.* a year after 17 years' total service, of which three years may be assumed to have been spent on furlough, and the pension admissible to those officers will therefore be $\text{£} \frac{N}{14} \times 400$, subject to a maximum of 400*l.* a year.

5. *Gratuity.*—In addition to the gratuity or pension admissible to an officer under paragraph 4, a gratuity equal to the actual cost of 1st class fares and passages from their last place of employment in India to their new home, for the officer himself, and for his wife and children if in India, or, in the case of passages, free passages of the same number and class, will be granted to an officer in India at

the time when he retires or goes on leave preparatory to retirement under these terms, if he actually proceeds to some other part of the British Empire. No officer, however, will be entitled to receive any gratuity under this paragraph if he is entitled to the maximum pension specified for his Service in paragraph 4.

The gratuity will be payable under the orders of the Local Government under whom the officer is serving when he actually retires or proceeds on leave preparatory to retirement, and after the Secretary of State has approved of his admission in due course to the benefits of this Resolution.

6. *Leave*.—An officer who desires to retire under the terms set out in this resolution will ordinarily be allowed to take the full amount of leave admissible to him under the regulations for the time being in force, subject to the condition that it shall expire on the 31st March, 1924.

After that date officers will normally only be allowed to take the privilege leave admissible to them. It will be, however, for the Local Government to grant leave which will extend after that date to an officer who has given notice of his intention to retire under these rules before that date, if he has enjoyed no leave after the date of this Resolution and has, after the date of this Resolution, formally applied to Government for, and been refused, leave.

7. *Indian Civil Service Family Pensions*.—In order to secure suitable provision for the widows and orphans of members of the Indian Civil Service, contributions are compulsorily deducted from their salaries during their period of service, a *pro forma* account is maintained of the receipts and payments, and the contributions levied are so adjusted that the pensions provided by the regulations shall not bring any charge on Indian revenues in excess of the amount specially sanctioned in aid of the pensions and for the cost of management. Members of this service who desire to retire under the terms of this Resolution will naturally desire to be informed of the family pension terms which will be admissible to them. These will be as follows, according to the alternative of the three permissible which the officer elects :—

(A) He may cease to make any contributions and payments under the regulations, and he will retain only the right to a proportion of the contingent benefits under the regulations for his wife and children existing on the date of retirement, and for any children subsequently born to that wife. This proportion shall be equal to the number of his completed years' total service divided by 25, and the calculation shall be based upon the pension admissible to the widow of an officer of the Class to which he belonged at the time of his retirement.

(B) He may continue up to his 54th birthday (the age up to which an officer who resigns the service before becoming entitled to a pension under the ordinary rules is required to continue to subscribe, if permitted to do so at all) to make contributions under the regulations at the rates payable by him at the date of retirement, and he will then retain the right to the full contingent benefits admissible under the regulations,

according to his class on the date of his retirement, for his wife existing at the date of retirement, and for any children by her, whether born before or after retirement. Under this alternative, subscriptions will be payable under the ordinary regulations for each child, whether born before or after retirement. Further, the widow's pension under the regulations varies with the Class of an officer at his death, and in this case the right to the contingent widow's benefit retained will be limited to the scale applicable to her if her husband had died at the time of retirement.

(C) He may continue up to his 54th birthday to make contributions and payments under the regulations at the rates which would have been payable by him from time to time had he remained in the service. In this case he will retain the full benefits admissible under the regulations as if he had remained in the service until death or retirement with an ordinary pension.

The Secretary of State in Council will make good to the Indian Civil Service Family Pension Fund under a suitable procedure any loss which these concessions may be estimated to throw upon it.

8. A few minor points remain for settlement, *e.g.*, the family pension terms which will be admissible to Indian Army officers and the conditions upon which the commutation of pensions admissible under para. 4 will be allowed. The decisions on these points will be announced later.

II.

The Governor-General in Council has separately announced the special terms sanctioned by the Secretary of State in Council for officers retiring prematurely in consequence of the introduction of constitutional reforms. It is considered desirable to announce at the same time the undermentioned general decisions of the Secretary of State in Council as to the right of officers to retire under the ordinary regulations.

Note 2, under Article 465A of the Civil Service Regulations, which was introduced with the new pension rules announced on the 15th November, 1919, reserved to the Government an absolute right to decline to permit an officer to retire before reaching the age of superannuation, should it be necessary in the public interest to retain his services. This note has, it is understood, led members of the services to fear that it may, in the future, be difficult to secure permission to retire before the age of superannuation. Indeed, certain officers, it is believed, have on this account refused to accept the new pension rules.

In order to allay this apprehension, it has been decided—

- (a) in the case of officers in service on the 15th November, 1919, to substitute for the rule in Note 2 under Article 465A of the Civil Service Regulations, a rule giving them the right to retire, subject to six months' notice: and

- (b) in the case of officers who have joined or who may join service after that date, to substitute for the rule in Note 2 a new rule corresponding with the rule in Article 561 of the Civil Service Regulations (which has always been applicable to members of the Indian Civil Service), and permitting them to retire on pension under the ordinary rules when their resignations have been accepted.

Any officer who may have declined to elect to come under the provisions of the new pension rules, because of his objection to this note, may now elect in writing, before the 31st March, 1922, to do so. This option applies also to any person who may have retired already, after the announcement of the new pension terms in November, 1919.

No. 2.

Modification of the Orders contained in the Resolution of the 8th November, 1921, regarding Retirement on Proportionate Pension.

The Secretary of State for India in Council has decided, in consultation with the Government of India, to make the following modifications in the orders announced in the Resolution of the Government of India of 8th November last, relating to the conditions and terms upon which officers of all-India Services may retire prematurely, if they desire to do so, in view of the change in the conditions of their employment brought about by the introduction of constitutional reforms.

1. The orders in question at present give to members of the Services to which they relate, who arrived in India for the first time on a date antecedent to 1st January, 1920, an option of retiring which expires on 31st March, 1924. The Secretary of State in Council has decided that the option, instead of expiring on 31st March, 1924, shall continue in force and may be exercised until the action proposed to be taken on the Report of the Parliamentary Commission provided for by the Government of India Act is known, when the whole position will necessarily be reviewed.

2. It follows from this decision that the restriction that leave taken in anticipation of retirement must be completed before 31st March, 1924, is also removed. Officers proposing to retire prematurely, provided that they have submitted a definite application for permission to retire, accompanied by the prescribed form of declaration, will ordinarily be allowed, before their retirement takes effect, to avail

themselves of the full amount of leave which is due to them, and which may be granted to them at one time under the regulations for the time being in force and applicable to them otherwise than on medical certificate. A mere intimation of a possible intention to retire will not entitle an officer to have his application for leave dealt with under these Rules.

An officer who has submitted an application to retire, supported by a declaration, and has obtained leave on the basis of it, will not be permitted to cancel his application and to return to duty without the consent of his Local Government.

An officer on leave will be at liberty to submit an application to retire with the prescribed declaration and will then, unless the Local Government considers his return necessary, be placed in the same position as an officer who has submitted his application in India.

3. The following form of declaration is substituted for that required by the present rules: "In view of the changes in the conditions of my service occasioned by the Government of India Act of 1919, I desire to retire on the terms set forth in the orders relating to premature retirement."

4. The Secretary of State in Council is prepared to permit officers retiring prematurely to take up other employment during the currency of their leave preparatory to such retirement, subject to the following conditions:—

- (a) that if the proposed employment lies in India, the specific consent of the Governor-General in Council shall be obtained, and that if the proposed employment lies elsewhere than in India, the specific consent of the Secretary of State in Council shall be obtained;
- (b) that a request for such permission must be accompanied by a definite request for permission to retire at the expiry of the leave.

The Governor-General in Council or the Secretary of State in Council, as the case may be, will ordinarily grant permission to take up employment in these circumstances unless he considers that the employment proposed is such as could not with propriety be held by a person who is still in the service of the Crown in India; or, alternatively, he may grant the desired permission in any such case, subject to the stipulation that acceptance of the employment in question will preclude the officer from withdrawing his request to retire and from returning to duty in India.

Even in cases where the stipulation above mentioned has not been made, an officer who has been granted permission to take up such employment will not be allowed to withdraw his request for permission to retire and to return to duty in India without the specific consent of the Secretary of State in Council, who will, before giving such consent, consult the Government of India and the Local Government under which the officer was employed.

5. The Secretary of State in Council desires it to be understood that the eligibility to retire on proportionate pension is not an absolute right which accrues on signature and presentation of the prescribed declaration. The Secretary of State reserves to himself the right to arrange for a combined pension under ordinary rules on their final retirement in the case of officers who have obtained employment with his permission in other departments under the Crown, or to withhold permission to retire, or to permit retirement on reduced pension only, if circumstances exist which justify this course (*cf.* Art. 470, Civil Service Regulations). Thus it would not be open to an officer against whom disciplinary proceedings were pending or in contemplation, which might result in the reduction or withholding of his pension, to avoid such proceedings by an application for permission to retire on proportionate pension.

6. While the Secretary of State in Council reserves to himself the right to postpone the acceptance of resignations of officers until suitable arrangements can be made for their replacement, an officer who has been granted permission to retire under these orders will only be detained in India beyond the date on which he desires to leave if his detention cannot be avoided without prejudice to the public interest. Ordinarily, the Local Government under which the officer is employed will intimate, when forwarding his application, whether it considers that the Secretary of State in Council should exercise the right reserved to himself of postponing acceptance of his resignation, and, if so, for what period ; but the Local Government must be given discretion to determine, with due regard to the public interest, the date when leave granted under para. 2 will begin, even though the officer's resignation has been accepted by the Secretary of State.

7. The Secretary of State in Council intends as soon as possible to re-issue in the form of rules under Section 96B (2) and (3) of the Government of India Act the orders issued on 8th November last by the Government of India as already amended and as amended by the present announcement, and he takes this opportunity of announcing that the orders applicable to officers serving in other provinces will apply to officers serving in Burma, with effect from the date on which the notification of the Governor-General in Council, dated 7th October last, constituting Burma a Governor's province is brought into operation.

INDIA OFFICE,

July, 1922.

Regulations for the Commutation of Proportionate Pensions.

1. In continuation of the orders issued on 8th November, 1921, regarding the premature retirement of Officers of Indian Services on proportionate pensions, the Secretary of State in Council has decided that an Officer awarded a proportionate pension may be permitted to commute a portion of his pension, not exceeding one-third of the whole, unless in the opinion of the sanctioning authority (the Local Government under which the Officer was last employed for an officer who draws his pension directly or indirectly from Indian Treasuries, and the High Commissioner in all other cases) there are exceptional reasons for refusing sanction to the application in whole or in part. If the sanctioning authority considers that such reasons exist, the case will be referred for the decision of the Secretary of State in Council.

2. An Officer in Europe desirous of commuting must make application in writing to the High Commissioner for India, stating his desire so to commute, and furnishing information as to his age and the reasons on which he bases his request. Permission to commute in sterling will not ordinarily be granted by the High Commissioner to an officer residing only temporarily out of India. Commutation in his case will ordinarily be dealt with by the authorities in India.

3. If the High Commissioner for India approves the commutation, the Officer will be so informed, and his application will be referred to the Medical Board at the India Office.

4. The Board will require the Officer to give such information as to his health and habits as is usual in the case of persons proposing to assure their lives in assurance companies, and he will be required to submit himself for personal examination by the Board at the India Office.

5. An Officer residing in a Dominion or Colony (other than those whose accounts are adjusted direct with Indian Treasuries) and desirous of commuting will be required to follow a procedure similar to that in the case of an Officer residing in Europe except that he will apply to the High Commissioner for India through the official from whom he draws his pension. If the application is approved the Officer will be informed accordingly, and a special civil medical board will be assembled under the orders of the Local Colonial Government.

The Medical Board will report in the following form :—

“We have carefully examined _____ and are of opinion that he is (or is not) in good bodily health, and has

(or has not) the prospect of an average duration of life. We therefore (or do not) recommend compliance with his application to be allowed to capitalise a portion of his pension."

In the case of impaired lives in which compliance with the Officer's application is recommended, but with an addition of years of age, the following should be added :—" but as he is suffering his age for purposes of commutation should be taken to be years."

6. The basis of commutation, subject to an addition of years of age in the case of impaired lives, shall be the following table, the age of the Officer being reckoned at the age he will attain on the birthday next succeeding the date upon which the capitalised sum will become payable :—

Age next Birthday.	Number of Years' Purchase.	Age next Birthday.	Number of Years' Purchase.	Age next Birthday.	Number of Years' Purchase.
21	14·376	41	12·413	61	8·728
22	14·297	42	12·275	62	8·503
23	14·218	43	12·131	63	8·275
24	14·139	44	11·982	64	8·046
25	14·058	45	11·828	65	7·815
26	13·975	46	11·669	66	7·583
27	13·892	47	11·505	67	7·351
28	13·807	48	11·336	68	7·118
29	13·720	49	11·162	69	6·886
30	13·631	50	10·983	70	6·654
31	13·542	51	10·799	71	6·423
32	13·449	52	10·611	72	6·194
33	13·352	53	10·417	73	5·967
34	13·250	54	10·218	74	5·742
35	13·145	55	10·018	75	5·520
36	13·035	56	9·812	76	5·300
37	12·920	57	9·602	77	5·084
38	12·800	58	9·388	78	4·872
39	12·676	59	9·171	79	4·664
40	12·547	60	8·951	80	4·460

NOTE 1.—*These rates are subject to modification by the Secretary of State in Council from time to time.*

NOTE 2.—*In order to ensure payment at the rate shown for any specified age, it is essential that the application to commute should reach the High Commissioner's Office at least one month before the date on which the applicant will attain that age.*

7. When commutation has been sanctioned by the High Commissioner the applicant will be informed accordingly, and will have the option of withdrawing his application within one week after receiving notice.

8. If the applicant does not withdraw his application within that period, the decision will be considered final, and the commutation of pension will become absolute, and payment will be made forthwith, payment of the commuted portion of the pension thereupon ceasing.

9. The capitalised sum will be payable in India if the commutation is effected there; in all other cases it will be payable in England. When commutation of a sterling pension is effected in India by Officers residing temporarily in that country the commutation will be on the basis of the current rate of exchange, the rate adopted being the rate of exchange for telegraphic transfers from Calcutta on London on the 20th of the month preceding that in which the capitalised sum is paid.

10. The commutation of the proportionate pension of an officer who draws his pension directly or indirectly from Indian Treasuries will be governed by rules which the Government of India are issuing separately.

INDIA OFFICE,

July, 1922.

UNIVERSITY OF CALIFORNIA AT LOS ANGELES
THE UNIVERSITY LIBRARY

This book is DUE on the last date stamped below

REC'D MLD

JUN 24 1964

JUL 2 - 1964

Form L-9-15m-7,'35

UNIVERSITY of CALIFORNIA
AT
LOS ANGELES
LIBRARY

UC SOUTHERN REGIONAL LIBRARY FACILITY



AA 000 209 324 3

JQ
249
S2G7
1922
cop.1

